



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

DONALD L. WOLFE, Director

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IN REPLY PLEASE

REFER TO FILE: **PJ-2**

June 22, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**SUN VALLEY HEALTH CENTER CAPITAL PROJECT
ADOPT, ADVERTISE, AND AWARD
SPECS. 6696; C.P. 69214
SUPERVISORIAL DISTRICT 3
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE DIRECTOR OF HEALTH SERVICES THAT YOUR BOARD:**

1. Adopt plans and specifications for the construction of the Sun Valley Health Center at a \$5,088,614 estimated construction cost, which includes a change order allowance and utilities connection fees; and instruct the Executive Officer to advertise for bids, to be received and opened on August 1, 2006, according to the instruction sheet for Publishing Legal Advertisements (Enclosure B). The project is funded by the Third District Capital Project net County cost, the Department of Health Services' net County Cost, and a grant from the University of California at Los Angeles.
2. Authorize the Director of Public Works to execute a Consultant Services Agreement with the apparent lowest responsible bidder to prepare a baseline construction schedule for a \$5,000 not-to-exceed fee funded by existing project funds.

3. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable Contract and bid specifications, whether the apparent low bidder has properly and in a timely fashion prepared a satisfactory baseline construction schedule satisfying all the conditions for Contract award, and authorize the Director of Public Works to award and execute the Construction Contract, in the form previously approved by County Counsel, to the apparent lowest responsible bidder and to establish the effective date of the Contract upon receipt by the Director of Public Works of acceptable performance and payment bonds and evidence of required contractor insurance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will allow Public Works to obtain bids and award a Construction Contract for the Sun Valley Health Center project provided that award can be accommodated within the Board-approved project budget.

The Sun Valley Health Center will be a new school-based clinic, approximately 10,800 square feet in size, located at the Sun Valley Middle School on Los Angeles Unified School District (LAUSD) property in the Sun Valley area of the City of Los Angeles. The proposed clinic will include 13 exam rooms; nurses station; offices for doctors, a dietitian, case managers, and health counselors; dispensary; a lab/phlebotomy area; health education and meeting rooms; and other support space. Site preparation work is presently underway. Construction of the clinic is scheduled to begin in September 2006 and to be completed by November 2007.

The proposed Consultant Services Agreement requires the apparent lowest responsive bidder to prepare a baseline construction schedule that conforms to the County's schedule specification, which is critical to successfully managing construction activities by both the contractor and the County. Bid documents provide that if the apparent lowest responsive bidder fails to complete an acceptable schedule, the Director may return to your Board to recommend that the low bidder be declared nonresponsive so that the Construction Contract could be awarded to the next apparent lowest responsive and responsible bidder, contingent on the bidder completing a baseline schedule that conforms to the County's specifications.

Delegated Authority to Award Contract

In response to ongoing volatility in the construction market, it is also recommended that your Board authorize the Director of Public Works to award the Contract to the lowest responsive bidder, subject to available funds in the total project budget being able to accommodate such an award. The continuing escalation in construction costs has raised the industry's exposure to unanticipated cost increases and created an environment of uncertainty. This perception of risk and uncertainty can be exacerbated by a longer period between bid submittal and Contract award and ultimately result in a higher construction bid.

Authorizing the Director of Public Works to award the Contract if the lowest responsive bid can be accommodated within the approved construction budget will reduce the time required to return to your Board by four to six weeks. Industry projections are anticipating costs to escalate by 15 percent over the next 12 months or nearly 1.25 percent per month. Based on these estimates, delegating authority to award the Contract may ease perceptions of risk and result in more favorable bids.

Implementation of Strategic Plan Goals

These actions meet the County Strategic Plan Goal of Service Excellence by promoting best practices for patient care and the Goal of Fiscal Responsibility by investing in public health infrastructure. Completion of this project will provide a much needed health facility for the residents of Sun Valley.

These actions meet Health Services strategic goals by improving access to health care services for residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING

The total project cost estimate is \$7,406,000, including programming, design, jurisdictional reviews, construction, equipment, consultant services, miscellaneous expenditures, and County services. This is consistent with the budget previously approved by your Board on April 18, 2006. Funding in the amount of \$6,706,000 is provided by the Third District Capital Project net County cost, \$600,000 of Health Services net County Cost, and an additional \$100,000 for start-up costs is provided by a grant from the University of California at Los Angeles. Sufficient appropriation is included in the Fiscal Year 2006-07 Capital Projects Budget.

In the event that award to the lowest responsive bidder would cause the project to exceed the total budget, we will return to your Board with further recommendations on a final project scope and funding options.

The Project Schedule and Budget Summary are included in Enclosure A.

Operating Budget Impact

Following completion of the project, Health Services anticipates no start-up costs and no additional operating costs. There is, however, a \$100,000 grant from UCLA that will be available to Northeast Valley Health Corporation to cover their start-up costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

During the initial planning of the project, Health Services determined that in order to improve access to health care services in the underserved area in Sun Valley, a partnership with LAUSD and a community-based Federally Qualified Health Center entity was necessary. As a result, on October 27, 2004, LAUSD issued a Request for Proposal to solicit Federally Qualified Health Center entities to operate the proposed Sun Valley Health Center. Northeast Valley Health Corporation was selected unanimously by the Evaluation Committee. On February 7, 2005, Northeast Valley Health Corporation was awarded the Operating Contract. Thus, the final project was conceived as follows:

- LAUSD will provide the site on the Sun Valley Middle School property.
- The County will construct the clinic on the Sun Valley site.
- LAUSD will contract with Northeast Valley Health Corporation to operate the clinic.

On April 18, 2006, the Joint Powers Agreement for the development, operation, and use of Sun Valley Health Care Center was approved by your Board.

A standard Construction Contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for Contract termination, renegotiation, and hiring qualified displaced County employees will be included in the Contract.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, bidders will be required to attest to their willingness to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment.

Bidders will also be required to show full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Services Program).

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, about Board Policy 5.35 (Safely Surrendered Baby Law) and that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

ENVIRONMENTAL DOCUMENTATION

On April 18, 2006, your Board approved a Mitigated Negative Declaration for the project. A Notice of Determination was filed with the Registrar-Recorder/County Clerk.

CONTRACTING PROCESS

Advertising for bids will be in accordance with the County's Instruction Sheet for Publishing Legal Advertisements (Enclosure B). As requested by your Board on February 3, 1998, this Contract opportunity will be listed on the Doing Business with Us website.

Participation by Community Business Enterprises (CBE) in the project is encouraged through Public Works' Capital Projects' CBE Outreach Program and by monitoring the good faith efforts of bidders to utilize CBE.


IMPACT ON CURRENT SERVICES (OR PROJECTS)

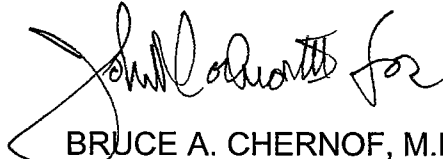
The project includes mitigation measures to reduce the impacts of construction on the adjoining middle school. Upon completion of construction, this clinic will help to alleviate a critical shortage of public health care in this community.

CONCLUSION

Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects Division), Health Services, and Public Works.

Respectfully submitted,


for DONALD L. WOLFE
Director of Public Works


BRUCE A. CHERNOF, M.D.
Director and Chief Medical Officer


DAVID E. JANSSEN
Chief Administrative Officer

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Enc.

cc: County Counsel
Executive Office
Office of Affirmative Action Compliance
Department of Public Social Services (GAIN/GROW Program)

June 22, 2006

ENCLOSURE A

**SUN VALLEY HEALTH CENTER CAPITAL PROJECT
ADOPT, ADVERTISE, AND AWARD
SPECS. 6696; C.P. 69214**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Design	03/2006	03/13/06*
Jurisdictional Approvals	04/2006	06/2006
Construction Bid and Award	07/2006	08/2006
Construction Start	08/2006	09/2006
Substantial Completion	08/2007	11/2007
Final Acceptance	11/2007	12/2007

*Indicates actual completion date

II. PROJECT BUDGET SUMMARY

Budget Category	Approved Project Budget
Land Acquisition	\$ 0
Plans and Specifications	
Programming	\$ 10,400
Design Services	481,960
Subtotal	\$ 492,360
Plan Check/Jurisdictional Reviews	\$ 40,000
Construction	
Prior Expenditures (Modular Relocation)	\$ 361,593
Site Preparation/Demolition	130,000
Construction Contract	4,588,174
Change Order Allowance	465,440
Utilities Connection	35,000
Subtotal	\$5,580,207
Equipment	\$ 30,000
Other Consultant Services	\$ 100,000
Miscellaneous Expenditures	\$ 20,000
Allowance for NEVHC Start-up costs	100,000
Subtotal	\$ 120,000
County Services	\$ 627,905
Prior Expenditures (Modular Design)	415,528
Subtotal	\$1,043,433
TOTAL	\$7,406,000

June 22, 2006

ENCLOSURE B

**SUN VALLEY HEALTH CENTER CAPITAL PROJECT
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PUBLISHING LEGAL ADVERTISEMENTS: In accordance with the State of California Public Contract Code Section 20125, you may publish once a week for two weeks in a weekly newspaper or ten times in a daily newspaper. Forward three reprints of this advertisement to Architectural Engineering Division, Department of Public Works, 900 South Fremont Avenue, 8th Floor, Alhambra, California 91803-1331.

**OFFICIAL NOTICE
INVITING BIDS**

Notice is hereby given that the Director of Public Works will receive sealed bids for furnishing all materials, labor, and equipment required to complete construction for the following work:

The proposed Sun Valley Health Center will include 13 exam rooms; nurses station; offices for doctors, a dietitian, case managers, and health counselors; dispensary; a lab/phlebotomy area; health education and meeting rooms; and other support space. A total of 72 parking spaces will provide sufficient parking for staff and patients.

<u>SD</u>	<u>SPECS.</u>	<u>PROJECT</u>	<u>BID DOC. FEE</u>	<u>DATE OF BID SUBMISSION AND BID OPENING</u>
3	6696	Sun Valley Health Center 7223 North Fair Avenue Sun Valley, CA 91352	\$75	08/01/06

Copies of the project manual and drawings may be obtained at the Cashier's office, Department of Public Works, 900 South Fremont Avenue, Mezzanine, Alhambra, California 91803, for the fee stated above. For bid information, please contact Ms. Kathleen Gandara of Architectural Engineering Division at (626) 458-2566. Each bid shall be submitted on the required form, sealed, and filed at the Cashier's office, Department of Public Works, 900 South Fremont Avenue, Mezzanine, Alhambra, California 91803, no later than 10:45 a.m. on the date indicated. Bids will be publicly opened, examined, and declared by Public Works at 11 a.m. on this date in the Main Conference Room – 5th Floor, 900 South Fremont Avenue, Alhambra, California 91803. Bids must conform to the drawings and project manual and all bidding requirements. This project requires the prime contractor to possess a B license classification at the time of bid. The contractor should verify to his/her satisfaction that he/she holds the correct license for this type of project.

In the interest of expediting the start of construction, the Board of Supervisors has already authorized the Director of Public Works to award a Construction Contract to the apparent lowest responsive and responsible bidder, subject to available funds in the total project budget being able to accommodate such an award and subject to certain additional conditions.

Si necesita información en Español, por favor llame al telefono (626) 458-2563.



Upon 72-hours notice, Public Works can provide program information and publications in alternate formats or make other accommodations for people with disabilities. In addition, program documents are available at our main office in Alhambra (900 South Fremont Avenue), which is accessible to individuals with disabilities. To request accommodations ONLY or for more Americans with Disabilities Act (ADA) information, please contact our departmental ADA Coordinator at (626) 458-4081 or TDD (626) 282-7829, Monday through Thursday, from 7 a.m. to 5:30 p.m.



Con 72 horas de noticia, el Departamento puede proveerle información y publicaciones sobre el programa y formatos alternativos o hacer adaptaciones para incapacitados. Además, documentación sobre el programa está disponible en nuestra oficina principal en Alhambra (900 South Fremont Avenue), la cual es accesible para individuos con incapacidades. Para solicitar adaptaciones SOLAMENTE o para mas información del ADA, pongase en contacto con nuestro Coordinador del ADA del Departamento al (626) 458-4081 o TDD (626) 282-7829, de lunes a jueves de las 7 a.m. a 5:30 p.m.

By order of the Board of Supervisors of the County of Los Angeles, State of California, dated July 5, 2006.

Specs. 6696

SACHI A. HAMAI, EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES